IRREGULARITIES IN CORPORATION BANK IN ADVANCING LOANS

1490. SHRI KALKA DAS: Will the Minister of FINANCE be pleased to state:

(a) whether the Government have received complaints in May-June, 1991 regarding cases of irregularities in advancing loans as also writing off loans by the Corporation Bank during the last three years;

(b) if so, the details thereof;

(c) whether the Government have conducted any enquiry in these cases;

(d) if so, the outcome thereof;

(e) the number of bank officials found guilty in this regard; and

(f) the action taken or proposed to be taken against them?

THE MINISTER OF STATE OF THE MINISTRY OF FINANCE (SHRI DALBIR SINGH): (a) Yes, Sir.

(b) Complaints were received, which inter-alia alleged that senior officers of the bank had caused loss to the bank by write-off of bad debts, that false information regarding sticky advances was furnished by the officers of the bank and that bank's Nariman Point Bombay branch was defrauded through forged documents.

(c) Reserve Bank of India has looked into the complaints.

(d) to (f) Reserve Bank of India observed certain deviations from the usual pre and post-sanction procedures relating to some of the advances. Regarding write off, RBI has advised the bank to ensure that the staff accountability is invariably looked into as soon as the accounts start showing sticky tendencies, and that this process should not wait till write off. While the irregularities noticed during inspections have engaged the attention of the Corporation Bank, it has denied the allegations against the executives. Regarding the alleged defrauding of the bank by forged documents, Directorate of Enforcement has taken up the investigation. The bank has stopped the operation of the concerned account.

[*Translation*]

JOINT VENTURE PROJECTS IN AFRICA AND SOUTH AMERICA

1491. SHRI TEJ NARAYAN SINGH: Will the Minister of COMMERCE be pleased to state:

(a) the number of joint venture projects set up in Africa and South America during the last two years and how many more projects are proposed to be set up there;

(b) the total cost of these projects;

(c) whether these countries are not taking interest in these projects now;

(d) if so, the reasons therefor; and

(e) the steps being taken by the Government in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI P. CHIDAMBARAM): (a) Although seven Indian Joint Venture Projects were approved for Africa and South America in the last two years, no reports of any Indian joint venture project having commenced operations in Africa and South America during the same period have been received. The total number of approved projects reportedly under implementation in Africa and South America are eight. Four more applications have been received for joint venture projects in these countries.

(b) The total cost of projects approved and reportedly under implementation in